

REPORT
CD NO.

DATE DISTR 4 February 1955
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NO. OF ENCLS.
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**SUPPLEMENT TO
REPORT NO.**

THIS IS UNEVALUATED INFORMATION

1. Walter Ulbricht's statement concerning the production of East German heavy industry in 1954, which was published in the East German press, was false. According to Ulbricht's statement, the Ministry for Heavy Industry had suffered losses of 46,000,000 DME, whereas in actual fact the losses under the Financial Plan of that Ministry as of 31 October 1954 amounted to 190,000,000 DME, since the enterprises with planned profits actually showed 130,000,000 DME less than the Plan and the enterprises with planned losses had exceeded their planned losses by 60,000,000 DME. As of 23 November, the Central Department for Commercial Affairs (Zentrale Kaufmaennische Abteilung) of the Ministry was preparing a report on the situation for the Presidium of the Council of Ministers.
2. The Ministry for Heavy Industry attempted to obtain the amount of 29,000,000 DME from the Ministry of Finance to cover that share of the unplanned losses. However, Hanisch (fnu)¹ and Kaiser (fnu)², of the Ministry for Finance, absolutely refused to advance the money when the request was made of them, giving as their reason the fact that the economic reserve (Haushaltsreserve) was completely used up. It was believed, however, by Ministry of Heavy Industry personnel, that there was still the amount of one billion DME in the economic reserve, despite the statement to the contrary by Hanisch and Kaiser.

1 Comment. Possibly identical with Gerhard Hannig, of the Department for Heavy Industry in the Main Administration of Nationalized Industry of the Ministry of Finance. 25X1

2. Comment. Possibly identical with Dr. Kaiser (fnu), Second Deputy Minister for Finance in the Main Administration for Taxes of the Ministry of Finance. However, it was reported [redacted] that Kaiser had been removed from his position.

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